

# HOUSE BILL No. 4480

March 23, 2011, Introduced by Rep. Gilbert and referred to the Committee on Tax Policy.

A bill to amend 1943 PA 240, entitled "State employees' retirement act," by amending section 40 (MCL 38.40), as amended by 2002 PA 99.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 40. (1) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION,**  
2 **THE** right of a person to a pension, an annuity, a retirement  
3 allowance, **AND** any optional benefit ~~;~~ **AND** any other right accrued  
4 or accruing to any person under the provisions of this act, the  
5 various funds created by this act, and all money and investments  
6 and income of the funds ~~;~~ are exempt from any state, county,  
7 municipal, or other local tax.

8           (2) **BEGINNING JANUARY 1, 2012, THE RIGHT OF A PERSON TO A**  
9 **PENSION, AN ANNUITY, A RETIREMENT ALLOWANCE, AND ANY OPTIONAL**  
10 **BENEFIT, AND ANY OTHER RIGHT ACCRUED OR ACCRUING TO ANY PERSON**  
11 **UNDER THE PROVISIONS OF THIS ACT, IS SUBJECT TO STATE TAX UPON**

1 DISTRIBUTION TO THE PERSON FROM THE VARIOUS FUNDS CREATED BY THIS  
2 ACT.

3 (3) The right of a person to a pension, an annuity, a  
4 retirement allowance, any optional benefit, any other right accrued  
5 or accruing to any person under the provisions of this act, the  
6 various funds created by this act, and all money and investments  
7 and income of the funds is subject to the public employee  
8 retirement benefit protection act, 2002 PA 100, MCL 38.1681 TO  
9 38.1689.